
**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
POLICY SUBCOMMITTEE
OF THE
INVESTMENT COMMITTEE**

MINUTES OF MEETING

August 16, 2010

A meeting of the Policy Subcommittee was held on Monday, August 16, 2010 in the Lincoln Plaza North Building, Auditorium, 400 Q Street, Sacramento, California.

The meeting was called to order at approximately 3:20 p.m. and the following members were present:

Louis F. Moret, Chair
JJ Jelincic, Vice Chair
Patricia Clarey
George Diehr
Priya Mathur

Other Board members present:

Terry McGuire represented John Chiang
Bill Dowell represented Bill Lockyer

AGENDA ITEM 2 – APPROVAL OF THE FEBRUARY 2010 MEETING MINUTES

On **MOTION** by Mr. Diehr, **SECONDED** and **CARRIED** to approve the April 19, 2010 meeting minutes as presented.

AGENDA ITEM 3 – GLOBAL FIXED INCOME, Revision of Policy on Global Fixed Income Program

Curtis Ishii, Senior Portfolio Manager, presented the item. Andrew Junkin, Wilshire Consulting, was available to respond to questions from the Subcommittee.

Staff presented the proposed Global Fixed Income Program Policy. Staff recommended a reduction in ranges and flexibility of active management parameters by reducing the targeted alpha and risk by 50 percent.

On **MOTION** by Ms. Clarey, **SECONDED** and **CARRIED** to recommend to the Investment Committee approval of the revised Statement of Investment Policy for Global Fixed Income Program.

AGENDA ITEM 4 –ROLLING REVIEW PROJECT – Revision of Investment and Risk Management Policies

Consideration of revision of the Investment and Risk Management policies was deferred to the next Subcommittee meeting.

Staff also plans to update the Rolling Review Project process to incorporate review of policies by the staff Investment Strategy Group prior to submittal to the Subcommittee. The revised process will be presented at a future meeting.

AGENDA ITEM 5 – 2010-11 ANNUAL AGENDA ITEM CALENDAR

The Subcommittee accepted the proposed 2010-11 Annual Agenda Item Calendar.

The Chair directed staff to address the issue of whether general consultant and asset class consultant participation in spring-fed pools has resulted in a policy conflict and report back at a future meeting.

AGENDA ITEM 6 – DRAFT AGENDA FOR OCTOBER 18, 2010

The Subcommittee accepted the proposed October 18, 2010 agenda. (The October Subcommittee meeting was subsequently canceled.)

AGENDA ITEM 7 – PUBLIC COMMENT

There were no public comments.

The meeting was adjourned at approximately 3:35 p.m.

The next Subcommittee meeting is scheduled for December 13, 2010 at a time to be determined in Sacramento, California.